

CONNECTICUT BROADBAND INTERNET COORDINATING COUNCIL
MARCH 30TH, 2009 – 9:00 A.M.-11:30 A.M., CERC, ROCKY HILL

CALL TO ORDER, INTRODUCTION OF MEMBERS PRESENT

- **Lou Manzione**, *Council Chair*, University of Hartford
- **Rob Vietzke**, *Vice Chair*, Internet 2
- **Jack McCoy**, Town of Manchester
- **Rob Earley**, Comcast
- **John Emra**, AT&T
- **Mike Chowaniec**, Cablevision
- **Robert Mundy**, *Ex-officio*, DPUC
- **Ed Murphy**, JDSU
- **Patrick O'Brien**, *Ex-officio*, OPM
- **Bill Vallée**, Office of Consumer Counsel
- **Anthony Santino**, *Laurel Woods Inc.*

Also present – Ann Bertini, CASE (admin support for Council); Rick Strauss, Executive Director, CASE

Not present -- Greg Shimer, WebMD;

GUEST SPEAKERS

- *NOT PRESENT* Matt Fritz (or designee), Governor's office re: Federal stimulus package
- Peter Gioia, Economist with CBIA for 19 years.

ECONOMIST PETE GIOIA OF THE CT BUSINESS AND INDUSTRY ASSOCIATION (CBIA)

Gioia thinks it likely that the economic situation has hit bottom and that we'll start to pull out. CT job loss at 100,000 → worse than 2001 better than 1989. A critical issue for CT is structural changes in financial services, especially the 10-year change in personal income tax. The financial services industry is 45% of what it was in 2008. As we recover – are we a state that is looked at for continued investment?

Concerns of CT Businesses — CBIA surveys member businesses approx. 30 times per year. Ten years ago there were complaints, issues with internet capability but that does not come up anymore. Going forward, however, three quarters of manufacturing and service companies are making some sort of major tech investment that changes their business.

The high cost of doing business and the business unfriendliness in CT are common issues. If CT could sustain a climate for investment distinguishing it from other states, it could attract business. The state has a good environment for newer technologies to be introduced here. If we lose the edge, he said, and miss opportunities to attract what might be the newest and latest it will become a problem (cited the example of high tech ball bearings made in Danbury, but that next generation of ball bearings is made in Germany). Earley asked for context on the biggest complaints. Gioia said costs of doing business: healthcare and labor related costs, credit and taxes and general attitude of business unfriendliness (particularly in regulations). It is less about the regulations themselves but more how they are interpreted and enforced.

Workforce quality and sustainability. There are challenges in maintaining highly skilled workforce – and this aspect is related to broadband. Increasingly, numbers of young people coming out of urban areas are minorities. The cities have broadband service but are they utilizing it effectively? The younger people need to be able to gain skills and move into higher education. Gioia thinks in 10 to 20 years the workforce will be a major issue.

Serious situation for CT government finances and it's not short-term. Gioia said Europe is in worse shape than we are, though it may be a year before they hit bottom. The federal government's capacity is going to retract when/if Europe collapses (he estimated 2013). The federal stimulus is not sustainable.

WHAT TO DO: Work with the government and legislature to create environment that brings investment to CT.

McCoy asked a question regarding the populations who have access but don't use it. Gioia cited outreach. A sophisticated marketing effort and not just in English but also other languages tied to success, opportunity, and well being. Messaging is structured differently for different cultures.

CONTINUED DISCUSSION: McCoy also cited the 3-year strategic plan that each community has to have which includes a technology plan. There are solutions like using town buildings to boost networks. New kinds of products and services could

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be made available (for ex., transmission of medical scans.) Manzione speculated whether businesses know that high quality applications like high bandwidth teleconferencing are available. Gioia reported that the CBIA web site is doing many more webcasts and 80% of their members can access them. Much of CBIA membership are businesses under 10 employees. Manzione mentioned professional development through interfacing. Gioia said he thinks many already do this because of our small market companies do invest in advanced tech.

O'Brien asked how often CBIA asks their members about their technology. Gioia said they are not asked specifically about technology but they ask enough open-ended questions that it would have come up.

Emra cited WSJ story that showed Yale spinoff companies that left New Haven to be closer to the capital. Gioia confirmed that companies hit a wall in terms of costs so they go south, or overseas. He said there is a stealth drain happening (i.e. if a company has two locations they added workforce goes to the other locations outside CT).

Visit CBIA newsroom online to look at previous surveys. <http://www.cbia.com/business/Surveys/default.htm>

COUNCIL OPERATIONAL

Not voting on the final minutes from December because they were distributed at this meeting in incorrect order. In future, Bertini will post/distribute final draft minutes prior meetings.

Bertini reported on updates to the CBICC site and asked what the Council considers worth posting. She explained that posting news items became a daily, time-consuming endeavor and people can subscribe to their own Google-alerts. She posted a link to Google Alerts on the www.ct.gov/cbicc under 'Broadband News.' Bertini mentioned an analog site, the CEAB www.ctenergy.org, supported by G. Deans of CERC. Deans said the site simply tracks, reports CEAB's activities & publications for the public. Manzione said the benchmarking of other states and countries is important aspect for CBICC to track and post.

PER Strauss: some Council members first terms expire June 2009. He said the Academy has some letters of appointment but asked Council members to check their files and forward those. It will be good to get ahead of the curve b/c of slowness in the appointing process.

FEDERAL STIMULUS (ARRA) DISCUSSION

Vietzke briefed the council on the stimulus meeting with the Governor's working group. Rell assigned Marianne O'Neill and Matt Fritz, though not much has happened yet. He posed whether the Council wants to defer to government or be more active? Language in legislation that allows for one awardee in the state. Speculation on what the process will be. Broadband initiatives being allocated \$7 billion nationally, \$4.7 billion going to mapping. NTIA has 20,000 applications and would like to make the first awards in August. Matt Fritz sent an overview to Vietzke. CT expects a total of 3 billion; visit www.recovery.ct.gov for further. The working group on this includes DPS, DPUC, Higher Ed, DOE, DOIT, Mental Health & Addition, etc. – plus Vietzke is on the working group. Mundy was present b/c of his role at the DPUC.

Mundy updated the Council on the CT Geospatial Information Council – Fritz asked Mundy and George Pohorilak, Director of the Office of Statewide Emergency Telecommunications, to work on mapping. Pohorilak retires at the end of April. Pohorilak's and his associates from the GIS Council briefed Mundy on the importance of mapping and the technicalities of mapping, particularly as it relates to the requirements for broadband mapping.

Vietzke said the education folks in the room did not know about the Geospatial Council. There was a lot of level setting about what is defined as broadband. The substance was centered on the rules that needed to be written. Mapping is likely to be a high priority. Governor's office had a session in DC about what State needs to do to be transparent and manage this process. Fritz to convene a 2nd meeting of the working group.

Vietzke suggested that the Council lay out high level principles to provide the State with direction on investment priorities.

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Earley said that 7 billion invested last year by cable industry (twice that likely this year). He said they will continue to invest and wants to make sure that stimulus investments do not upset the balance. Vietzke called the stimulus at best a down payment on the broadband strategy of the administration. CT gets nothing if it applies for nothing and someone has to do NTIA application.

Emra says there is agreement that mapping has to happen. AT&T mapping is highly proprietary. AT&T is willing to be part of the mapping process but will be protecting AT&T proprietary info. What comes after mapping?

Emra remarked about the importance of noting the difference between underserved vs. unserved. AT&T's investment is close to \$18 Billion just in this year. Underserved investment will cause consternation on AT&T's part. Chowaniec, echoed this. Education and outreach should be structured in a way that is provider neutral and then that would be a priority. Earley re-emphasized defining underserved. Maybe there is broadband available but it's not being accessed. McCoy noted that targeting could be well within the scopes of these companies.

Vietzke said w/r/t mapping the desire would be to fold in funding to staff that. It is unclear whether the state wants to fund administrative overhead on programs.

McCoy suggested that outreach should be tied to local education strategies.

Chowaniec pointed out that need to address the point on whether Vietzke is representing the Council on the Governor's working group. Vietzke said according to legislation the Council is in charge but in reality nothing will get done unless someone volunteers to handle the NTIA proposal. Mundy said one of the missions of the GIS council is to write grants for mapping.

Manzione concluded that the Council needs to meet with Matt Fritz.

Vietzke to send draft principles via e-mail to Council members. There was agreement that terminology could not be used lightly. Vietzke pointed out that the Council cannot be involved in the contracting process so this communication of principles needs to stick to a higher level.

Vietzke said the education community people are thinking of tax credits down the road. This version is focused on getting police departments connected. Emra re-emphasized that the federal dollars ought not end up hurting private investment. Vietzke said Council should be able to agree that we want the best maps that CT can provide.

Strauss encouraged the Council to get the principles down on paper to facilitate conversation with Matt Fritz. The principles should have language about encouraging investment from the private sector.

McCoy added that much detail ought to underlie the principles (for ex, polling run by the telcos). The Council decided to hold a 30-minute teleconference to nail down the details of the principles document.

The question arises again Rob repping the council on the working group ... not sure he can rep all the interests on the council. Strauss pointed out that Vietzke is a conduit for input from the council.

PENDING LEGISLATION

Emra gave a general summary of the bills pending (HB 6426, SB 890) They are very similar and may both pass. They address many of the issues discussed including education, outreach, underserved areas, grant processes for \$\$ distribution. The HB includes the CBICC but he thinks the SB does not. Fiscal notes not done yet. Much depends on Office of Fiscal Analysis.

McCoy mentioned interest in a CEN-like entity for municipalities.

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- A) Current Landscape: Mundy mentioned his update to the other states handout. Bertini posted it to www.ct.gov/cbicc under Areas of Inquiry Current Landscape. Mundy mentioned Texas doing a grant request process for NTIA right out of the broadband initiatives program. Pohorilak and GIS council are confident that we could capture any grant that required 20% mapping.

McCoy mentioned the issue of the pole information. Not necessarily proprietary though it is a paper-based record and SNET not offering it up. If converted to electronic format it would be extremely valuable. He does not believe the pole attachment info is proprietary. Vallée cited Sharon Gillett and the end run MA did by going thru their PUC; they basically said to providers "If what we're saying is incorrect; tell us."

McCoy mentioned possible way of learning about underserved populations is the CT Mastery Tests. That is the Manchester model and could be used elsewhere. The CMT info is sensitive.

- B) Demand Side: Santino has said that he has a speaker that could discuss the telecommuting issue; Jack Epstein.
- C) Technology: Manzione met with CEN last week. Every town is connected but it's a mixed bag. 1/3 of high schools are actually connected. McCoy said there is little use between the schools.
Terminals -- Further consolidation on iPhone; proliferation of internet-enabled devices will drive tremendous demand for bandwidth per Manzione.
- D) Supply Side: McCoy discussed infrastructure component where there could be antennas on certain buildings. Manchester moving up to 10-20 GB speed at main intersections, not expensive. That 24 megahertz slice could be deployed around town but will that be issue with private sector? Must look to partnering. Tower for cell leasing is short-sighted. Deploying fiber optics not high tech. He said for smaller cell cites he is not sure how the battle between LTE and Wimax will be resolved.

Also on Supply Side, Earley gave Bertini list of companies for the web site. He will update that information.

Manzione and Murphy to follow up on wireless infrastructure, how it might be built out and what the state could do better (i.e. policy recommendations here). Chowanec added that continuing to migrate programming from analog to digital format, freeing up bandwidth can result in service enhancements. So it's not just about laying new infrastructure but managing the pipes more efficiently.

PUBLIC COMMENT

Dale Bruckhart of Digital BackOffice in Milford, CT – A datacenter company. Bruckhart encouraged the council to consider datacenter businesses as a part of the broadband discussion. He said his business has expanded considerably in last 5 to 10 years b/c of lower cost broadband access. Being able to connect our customers to our datacenter (in Wilton) at a reasonable price factors has been a major benefit. Bruckhart thinks CT is poised to grow in this area. He pointed out that CT is at the crossroads of east coast bandwidth. His business was able to extend from the trench because of close proximity to fiber. CT has a highly skilled workforce and is deemed one of the safest areas in the country in terms of weather (key for datacenters). There is a lot real-estate and a nationwide increase in demand for datacenter space. The bilingual aspect is also important. Many in private/public sector weighing whether to build their own datacenter but more often considering outsourcing. Datacenters are an emerging industry that CT should pay attention to b/c captures all the elements discussed by the council today: Jobs, using broadband effectively, keeping young people in the state.

Pua Ford – League of Women Voters of CT -- Came to learn more about the council. Said the website has been helpful. Asked about distributed antenna systems. She said she thinks it was 3 years ago when Woodbridge explored what would happen if a tower was built. Vallée mentioned DPUC's has an open docket on this. CL&P problem is that top of utility pole is the live line and there could be a situation where DAS has to go up the pole. The docket attempting to test some generic protocols and procedures.